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NEA FOR FRONT OFFICE, NSC FOR ABRAMS/SINGH/WATERS

E.O. 12958: DECL: 07/10/2017  
TAGS: [PREL](#) [KWBG](#) [IS](#) [OREP](#) [EAID](#) [PGOV](#) [ECON](#)  
SUBJECT: PM FAYYAD LAYS OUT SECURITY/DEVELOPMENT STRATEGY  
WITH CODEL ISRAEL

Classified By: Consul General Jake Walles, for reasons 1.4 (b) and (d)

¶1. (C) Summary. At a July 5 meeting in Ramallah, PM Salam Fayyad told Congressman Steve Israel (D-NY) that the PA must make immediate progress--including a political track with Israel--because this government is probably Palestinians' last chance. PM Fayyad said security is his government's priority, because no sustainable progress in other areas is possible without it. Cooperation with Israel is essential for PA success, he said, and partnership with Israel will serve Israeli and Palestinian interests. PM Fayyad said he wants to rebuild the trust and cooperation with the USG that made past assistance (including cash transfers) possible and asked the USG to take the lead on PA assistance with the international donor community. "As we make it easier for you to make our case, please ask for more for us," he requested, "and we will always demonstrate that assistance is being used effectively and with transparency." End summary.

This Is Our Last Chance

¶2. (C) At a July 5 meeting at the PM's office in Ramallah, PM Fayyad told Congressman Israel that while conditions are far from ideal, the PA must make immediate progress on security. He said the new government is probably the last chance to present Palestinians with an alternative to extremists. Fayyad said he wants to return to previous periods of close cooperation with the USG and particularly with the U.S. Congress. "We are trying to change the prevailing culture; we are honored to be friends with the U.S., not ashamed," he said.

¶3. (C) PM Fayyad said security is his government's priority, because no sustainable progress in other areas--including a political track with Israel--is possible without it. The long-term goal of the PA security program is implementation of President Abbas' position that the PA is the only legal authority and only the PA's legitimate security forces should possess weapons.

Cooperative Relationship with GoI: Security, Access/Movement

¶4. (C) Cooperation with Israel is essential for the PA's success, PM Fayyad said. Palestinians generally feel hopeless and depressed, and suffer psychological (as well as economic) harm from closures, checkpoints and inadequate personal security, and the PA cannot improve Palestinians' daily lives with Israeli help. Partnership with Israel will also serve Israeli interests, he said, because there are limits on the GoI ability to provide security to its people without PA assistance. He said he wants to move quickly to resolve immediate concerns while keeping sight of long-term political issues. He said Israeli help is critical for the

PA to deal effectively with the problems of fugitives and West Bank militants, and he noted that he recently discussed these issues with Israeli MoD Ehud Barak.

#### Increased Financial and Project Assistance

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15. (C) PM Fayyad said past USG cash transfers boosted the PA enormously, and he wants to rebuild the trust and cooperation with the USG that made such assistance possible. He said the PA currently owes its private sector USD 350 million in vendor debts, VAT refunds, etc., and he asked the USG to take the lead on PA financial assistance to energize the international donor community ahead of upcoming donor meetings. Noting that the U.S. is the PA's biggest bilateral donor, he said he wants to work with Congress to restore USAID project funding and increase assistance in areas where critical needs are identified. "Doing the right thing is also appreciated on Capitol Hill," he said. "As we make it easier for you to make our case, please ask for more for us, and we will always demonstrate that assistance is being used effectively and with transparency."

16. (U) CODEL Israel did not clear this telegram.  
WALLES